



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE Cost Reduction Study

MEETING DATE February 19, 1992

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council approve the attached work statement and authorize staff to solicit proposals from qualified consultants to conduct a study of City services and to recommend cost reduction/cost deferral actions to be taken by the City to reduce operating cost by at least **5%**.

BACKGROUND INFORMATION: At a Shirt Sleeve Session of the City Council on November 5, 1991, Staff presented the Council with a analysis of the City's current fiscal condition and recommended actions to be taken to ensure the long term financial health of the City and to ensure a balanced budget in 1992-93. At the conclusion of this meeting and again in January 1992, the City Council advised staff to first determine the cost savings and cost reduction measures that could be adopted before recommending or requesting the Council to consider new fees and/or taxes. Accordingly, the Staff recommended that the City contract with a qualified consultant to conduct a cost study to determine where the City could reduce and/or defer operating cost by **5%** or more. One or more of the following actions might result in a cost reduction of this size:

- * Improved supply discipline
- * Privatization of services
- * Elimination of duplicate services, functions and equipment between and within Departments
- * Consolidation of services, functions and equipment between and within Departments
- * Improved efficiencies through automation and use of new technologies.
- * Reduction of regular, part-time and temporary **staff**, if necessary.

FINANCIAL OUTLOOK

The 1992-93 Budget will be prepared in a setting of economic uncertainty, declining revenues at the City, State and Federal levels of government, in an election year, during a time of voter animosity toward increased **taxes** and fees and when citizens are demanding the same or greater levels of government services. To balance the demand for services within the City's capacity to pay for these services, the City will have to **look** for new and innovative ideas, policies and procedures to stretch the limited fiscal resources of the City to the greatest extent reasonable.

APPROVED

THOMAS A. PETERSON
City Manager



recycled paper

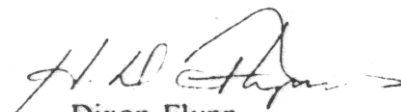
The City's General Fund reserve is at the lowest level it has **been** in many years. **Less** than one-half of one months' operating expenses are available to fund contingencies, emergencies, and unanticipated requirements. Normally, ~~Lodi~~ **as** well **as** most cities target to maintain a reserve equal to two (2) months operating expenditures. **In** the last four years, the City has had to reduce reserves to fund current service levels, employee **salary** increases and routine operating costs. This is a trend which the City needs to reverse in Budget ~~Year~~ 1992-93. The City's Finance Director estimates that the City will have to reduce costs or **raise** revenues by \$1.5 to \$2 million in 1992-93 to ensure a balanced budget and to provide some level of reserves for emergencies.

As discussed above and **based** on City Council guidance, the City needs to determine what actions can be taken to reduce costs. **A** five percent reduction in operating costs should save the City approximately \$1.5 million. It is staff's suggestion that a consultant should be employed to conduct this study and **to** make these recommendations for the following reasons:

- * Analysis and recommendations made as a disinterested party
- * Experience in analyzing service operations
- Not constrained by past practices and un-written understandings
- * Knowledge of other cities and efforts to improve efficiency

FISCAL IMPACT

A study of this ~~scope~~ may require from four to six months to complete to ensure that all operations were reviewed. that proper level of coordination and consultation is conducted with both management and employees. and that, the recommendations are properly presented. The cost of this study may be as high as **\$100,000**; however, this information will not be known until proposals are received and a cost for these services are negotiated. The determination as to whether the City should proceed with contracting for the service will be in part based on whether the return to the City in cost savings justifies the **expense** **to** by incurred.


Dixon Flynn
Finance Director

CITY OF LODI

REQUEST FOR PROPOSAL

Cost Reduction Study

Background Information and Scope of Work

February 19, 1992

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CITY OF LODI
~~Request~~ for Proposals
February **19, 1992**

Prospective Bidders

The City of **Lodi** ~~is~~ interested in receiving proposals for the conduct of a Management Study of the City organization as described in the attached Request for Proposals (RFP).

Schedule of Events and **Award** of Contract

February 19, 1992	City issues RFP
March 19, 1992	Pre-proposal Conference
April 3, 1992	Proposals due
April 10, 1992	Proposals evaluation completed
April 16, 1992	Interview of finalists (if necessary)
April 17-21, 1992	Contract negotiation
May 6, 1992	Approval of contract and authorization to proceed

Pre-proposal Conference

The City intends to conduct a Pre-proposal Conference on Thursday, March **19, 1992** at 10:00 a.m. in the Carnegie Forum next to City Hall, **221** West Pine Street. **Lodi**. Prospective consultants are required to limit attendance to two (2) representatives. The agenda for the Pre-proposal Conference will include a discussion of project details and evaluation procedures to be used by the City in evaluating consultants. In addition, prospective consultants will be given the opportunity to ask project related questions. Please notify Sandy Smith, Secretary to the Finance Director. at (209) **333-6761** by Thursday, March 12, 1992, if you intend to participate in the Pre-proposal Conference.

City Point of Contact

As of Thursday, March 19, 1992, Kirk Evans, Assistant to City Manager. (phone: (209) **333-6700**), is the sole point of contact for this proposal process. If you have questions regarding the RFP prior to March 19, 1992, the person to contact is Dixon Flynn, Finance Director (phone. (209) **333-6761**). Individuals or firms interested in submitting a proposal are asked not to contact other members of the City of **Lodi**. Proposals and all written inquires related to this RFP are to be submitted confidentially to Kirk Evans at the following address:

Kirk Evans, Assistant to City Manager
City of Lodi
P.O. Box **3006**
221 West Pine Street
Lodi CA **95241**

Confidential

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Proposal Closing Date

Eight copies of each consultant's proposal must be received by the City not later than 5:00 p.m. on Friday, April 3, 1992. All proposals must be delivered to the above address. Proposals will become part of the official files of the City of Lodi and cannot be returned.

Sincerely.

**Thomas A. Peterson
City Manager**

Attachments

CITY OF LODI
Request for Proposal

Cost Reduction Study
Background Information and Scope of Work

Background about the City and the project, as well as information on the Scope of Work to be undertaken by the Consultant are discussed in this section of the RFP.

INTRODUCTION

The City of Lodi is seeking proposals from qualified consultants to conduct a study to advise the City as to measures that can be taken to reduce and/or defer operating costs by at least 5% (\$1.5 million). The study will focus on organization and operational issues described in more detail under the "Scope of Work" heading below.

BACKGROUND

The City of Lodi is located in the San Joaquin Valley, strategically located between Stockton to the south and Sacramento to the north and is adjacent to U.S. Highway 99. The City is located in San Joaquin County. The City has a population of 52,500 contained in 11 square miles, with an assessed value of \$1,905,388,000.

The City has grown steadily since incorporation in 1906. Even with stringent growth control measures, approximately 518 new residential units are constructed each year. In 1990, the California Appellate Court found the City's growth control ordinance to be illegal. Subsequently, the City Council adopted a growth control ordinance which allows a 2% increase in population each year. It is anticipated that build out will occur in the year 2007 and that the City's population will be approximately 70,500.

Like many California cities, the City of Lodi is faced with fiscal problems. The General Fund reserve (fund balance) is at the lowest level in 20 years. In the last four years, the City has not been able to fund operating expenses from current revenues. The projected reserve (fund balance) of the General Fund is approximately \$800,000 which is less than half of one month's operating expense of \$1.9 million.

The fiscal problems which the City faces are due to the current economic recession that has reduced sales tax revenues in Lodi by approximately 4%; State mandates that have transferred services and their related cost to the City; State initiatives that have reduced revenues previously earmarked to fund city services; and, increased service levels approved by the City Council. In the last four years, the City has increased staffing from 349 authorized positions to 407 positions, a 17% increase in personnel. In addition, the City has significantly increased services provided by the Community Center (Hutchins Street Square) from \$145,000 per year to \$468,600 per year, a 324% increase in operating cost.

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To put the City on a sound fiscal course, staff recommended that the City introduce new service fees and raise existing fees to increase City revenues by approximately \$500,000 per year. These fees were developed based on a cost of services study conducted by David M. Griffith and Associates. In addition, staff recommended an increase in the Business license Tax which has not been changed since 1947 and an increase in the Property Transfer Tax. At the time these recommendations were made, the City Council directed staff to first determine if costs could be reduced.

LOCAL ECONOMY

In addition to residential development, there is commercial and industrial development underway. Walmart will build a new shopping complex on Kettleman Lane. Pacific Coast Producers, a food processing company, located their headquarters in Lodi in 1991 and the City has received enquiries from other manufacturing firms regarding re-location to Lodi. There is a strong agricultural and agricultural support based economy including wineries and food processing plants. These companies include General Mills, Guild Winery, and Pacific Coast Producers.

The community is comprised of diverse income levels with many of the newer residents commuting out of the area for employment. The major employers in the City are General Mills, Lodi Memorial Hospital, Farmers & Merchants Bank, Lodi Unified School District, Pacific Coast Producers, Lodi Fab and the City government. As part of the City's economic development focus, consideration is being given to preparation of an Economic Development Plan to guide the City in the promotion of commercial and industrial growth.

The current fiscal problems faced by California cities have forced cities to be more pro-active in promoting economic development within their communities to raise sales tax revenues and promote jobs. As such, a very competitive environment has developed between cities in promoting business, industry, tourism and residential development.

Lodi has not been isolated from the efforts of surrounding communities that are increasing their share of sales tax revenues and business investment at the expense of Lodi through sales tax 'leakage' and the loss of jobs. The City of Galt, 10 miles north of Lodi, has been described by the local press as a "boom town". The City of Tracy to the Southwest of Lodi is aggressively promoting economic growth. The City of Stockton, located 10 miles to the South currently discussing the idea of increasing their sphere of influence in their General Plan to include the green belt of agricultural land between Stockton and Lodi up to Lodi's current boundary to allow building of additional 20,000 housing units

CITY ORGANIZATION

Lodi is a general law city operating under the Council-Manager form of government. The Council consists of five members, each elected at large, to serve overlapping terms of four years. The Mayor, who is selected by the other Council Members for a term of one year, presides over the City Council and represents the City at official functions.

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The City Council **appoints** the City Manager, City Attorney, and City Clerk, as well as members of commissions and citizen advisory committees.

The City's governmental organization is made up of nine operating departments (Exhibit A) in addition **to** maintaining separate offices for the City Attorney and City Clerk.

The City Manager has **been** with the City for approximately 7 years. The staff of the Department Heads average **16** years with the City, ranging from the high of **29 years** for the Police Chief to less than **1** year for the Finance Director.

The City currently employs **407** full-time employees supplemented by **30 to 300** part-time and **seasonal** workers. **As** the City population grows and City services are expanded, the City is expected to employ **Over 550** full-time employees. Presently there exists a ratio of 7.76 employees per 1,000 residents.

The City is a full service city plus electric utilities, library, and a community center. **The** projected budget for 1991-92 is \$59,262,000 with \$26,882,000 used for bulk power purchases.

Due to the fiscal problems, the City was forced **to** limit compensation increases during negotiations with six of the City's eight bargaining units to **4%** or less. While the City was able to finalize an agreement with five of the six bargaining units whose agreements ended in 1991, an agreement was not reached **with** one bargaining unit (**General Services**). Accordingly, the City Council imposed the compensation increases without agreement amid some dissension.

The agreements with the Police Unit will expire in 1992 and the Fire Unit in 1993. In addition, the City will have to negotiate again with the General Services Unit in an attempt to reach agreement.

PROJECT OBJECTIVES

The primary objective of this project is to ascertain where the City can reduce operating cost at least **5%** by improved supply discipline, privatization of services, eliminating duplication of effort **between** and within Departments, consolidations, improved efficiency through automation and new technologies and if **necessary** by staff reductions.

In meeting this objective, the City believes that the consultant will have **to** determine whether the current organization, policies, and operations of the City of Lodi are adequately structured and directed to meet the service requirements of the City. Consideration must be given to existing and future demand for services based **on** growth and the dynamic nature of the community. **In** addition, attention must be given to existing and forecasted financial, staffing and facility resources and how the availability of those resources **will** affect the organization planning process.

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Directly related objectives include:

1. Evaluate staffing and organizational structure best suited to the delivery of services for the City:
2. Identifying changes in City-wide policies, operating systems and procedures to increase effectiveness in meeting the City's mission and goals, including the identification of alternative work methods and systems.
3. Assessing the cost-effectiveness of departmental operations and recommending areas where savings, cost avoidance and/or improved productivity can be accomplished.
4. Developing an implementation approach and schedule for the recommendations resulting from the organizational plan, including an indication of when the recommendations would be implemented, who should be responsible for each phase of the implementation, and the cost impact of each recommendation.

It is imperative that the employees of this organization understand the purpose, goals and methods of this effort. Employees should be involved to the extent possible in providing input and analysis, leading to the final product. Ideally, the employees will achieve a sense of ownership related to the results of this study and will be committed to its successful implementation.

PROJECT ORGANIZATION AND SCOPE OF WORK

The City of Lodi is seeking a consultant with extensive experience in conducting organizational and operational reviews and cost reduction studies of municipal operations which would ideally include knowledge and experience in library, wastewater treatment and electrical utility services. More specifically, the consultant should have recent experience in analyzing and making recommendations concerning the most cost effective and organizationally appropriate operational configuration, utilizing staff resources, consulting services, and automation technology, to meet public service needs of the community.

The organizational plan will be developed in at least two phases.

Phase I

The first phase will focus upon the needs of the organization at the global level. Analyzing the current organizational systems, service demands, resources and deficiencies. A plan should be developed that will prepare the organization to become more efficient and effective and lay the groundwork for elements to be refined and implemented in succeeding project phases.

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The first phase will include but not be limited to:

1. City Mission, Goals and Objectives.

- a. What significant **goals** and priorities have been set for the organization in the current operating year? What should the goals and priorities be for the next three to five years?
- b. Given regional and community service demands and issues, **are** the goals and priorities reasonable and appropriate given available resources?
- c. **Is** the current staffing adequate to meet the service needs of the City or could there be reductions? What functional **areas** have the greatest **current** deficiency or surplus and which will be impacted most in the next five to ten years?
- d. Should the City consider other methods of meeting existing or future service demands (consultants, privatization, added staff)?

2. Organizational structure, including the appropriateness of functional divisions of labor, reporting relationships and span of control.

- a. **Is** the organizational **structure** for the City, including lines of authority and reporting relationships, effective?
- b. Are functional responsibilities assigned appropriately? Should any functions be re-assigned to other City departments or centralized?
- c. Are **spans** of control appropriate to the work performed (to division level)?

3. Management systems and effectiveness.

- a. Are support and management information systems adequate to meet **the** needs of operating departments, City Manager and City Council?
- b. What mechanisms **are** in place for evaluating professional/personal performance and providing project accountability?
- c. Is budget planning and control effective?

4. Identify and analyze the facilitating and constraining factors that will impact the City's ability to achieve maximum effectiveness.

- a. Given financial constraints, **are** staff resources utilized appropriately and could they be reduced? If additional resources become available, where should they be allocated first? If reductions are necessary, where should they be taken first?
- b. Is access to, and allocation of office/work space adequate? How does the location and design of **City** facilities impact efficiency? What changes can/should be made short and long term?
- c. Are there innovative approaches to reducing staff cost without reducing current staff levels that **is** acceptable to the majority of employees and their bargaining units?

Phase II

This effort will consist of a series of detailed studies analyzing the policies, organization and operations of various City departments. The Consultant may wish to schedule analysis in this phase to address departments with like functions and responsibilities together. For instance, the study may consist of five separate elements proceeding consecutively or concurrently:

- a. Public Safety
- b. Public Utilities
 - Electrical
 - Water
 - Sewer
- c. Public **Works** and Community Development
- d. Recreation. Cultural and Social Programs
- e. General Government

The second **phase** of the project should include, but not be limited to:

1. Departmental mission, goals, and priorities.
 - a. What is the expressed mission or purpose of each department?
 - b. What significant **goals** and objectives have been established for the current year?
 - c. What relative priorities, if any, **are** placed **on** alternative services and programs?
 - d. How are the departmental mission, **goals** and priorities decided?
 - e. Are **goals** and objectives tied effectively to operational policies and practices?
 - f. Are current service levels adequate to meet the needs of the City? What must be done to meet the needs of the City five years from now?
2. Organization **structure**, including the appropriateness of functional divisions of labor, reporting relationships and spans of control.
 - a. Is the organizational structure of each department, including lines of authority and reporting relationships, effective?
 - b. How are functional responsibilities assigned? Are they appropriate to the department's mission? Should any functions be reassigned?
 - c. How is decision making authority assigned?
 - d. Are **spans** of control adequate to the work performed?
 - e. How is communication within and external to the department carried out, both horizontally and vertically?
 - f. Is departmental communication effective, both internally and externally? To customers? To the public?
3. Staffing levels **by** major functional unit (division level)
 - a. Given workload levels and other appropriate measurements, what are the required staffing levels for each functional division?
 - b. Is the current allocation of management, supervisor, and other personnel appropriate?

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- c. **Is** the current method of staffing (full time, part-time, consultants. contract. etc.) the appropriate method of staffing each function?
4. **Equipment/technology required to effectively carry out the department's mission.**
 - a. Are specialized systems necessary and cost effective to meet operating objectives?
 - b. Are present capabilities used in the most cost effective manner possible?
 - c. Are there work activities that could be automated for productivity purposes?
5. **~~Cost~~ effectiveness**
 - a. Are **operations** cost effective?
 - b. Can additional opportunities to save money or contain **costs** be identified?
 - d. **Is** it more cost efficient to develop and maintain standard operations software with internal programming staff or is it more cost effective to purchase standard software packages and contract for maintenance and customization with the originating software company.
6. **Service delivery effectiveness in addressing customer/citizen needs.**
 - a. Are services designed in such a way to be flexible when appropriate and practical, in order to meet client needs?
 - b. Are City/department codes, policies. procedures. etc. directed excessively towards control over service delivery? Conversely, is service to the client taking precedence over necessity or appropriate public review?
 - c. Have systems and bureaucratic processes developed over time that emphasize public review at the **ex** **se** of efficiency? What systems should be revised to retain adequate review **a** **put** while increasing efficiency. effectiveness and service?

MEETINGS

The **consultant** is responsible for attending monthly meetings with the City's project manager. At the conclusion of each phase of the project, a presentation of the findings and recommendations will be made by the consultant to the City management and, if deemed appropriate. with additional presentations to employee groups and the City Council.

DELIVERABLES

The consultant is responsible for the following deliverables in keeping with the schedule described below.

1. Weekly written progress reports to the City's project manager including:
 - * A summary of work completed during the previous week.
 - * Discussion of any significant problems encountered or **issues** arising from the project.
 - * Percentage of project completion by work task.

- 2. Monthly meeting and summary of project findings to the City project manager/Assistant City Manager/City Manager.
- 3. Fifteen **(15)** copies of the draft **report** for Phase I and Phase II, including Executive Summary, findings, recommendations, and implementation plan.
- 4. Fifteen **(15)** copies of **an** Organization and Functions **Report**, that describes the City's overall mission, functions, and staffing and the mission, functions, staffing and recommended performance indicators by Department.
- 5. Oral presentation of findings and recommendations for each phase to Department Heads, with possible additional meetings with employee groups and City Council/Boards and Commissions.

SCHEDULE

The following **are** key cumulative dates for the Management Study.

Project start Phase I	May 5
Project status reports	
Meetings	
Briefings on findings of Phase I	
Draft report Phase I	
Final report Phase I	
Draft report of organization, functions, staffing, and performance indicators	
Project start Phase II	
Project status reports	
Meetings	
Briefing on findings of Phase II	
Draft report Phase II	
Final report Phase II	
Final report of organization, functions, staffing, and performance indicators	

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**CITY OF LODI
REQUEST FOR PROPOSAL (RFP)
INSTRUCTIONS AND CONDITIONS**

The following instructions and conditions apply to this Request for Proposal:

A. **GENERAL CONDITIONS**

1. **Pre-Contractual Expenses**

The City of Lodi will not, in any event, be liable for any pre-contractual expenses incurred by any proper. In addition, no consultant shall include any such expenses as part of the price proposed to conduct the Management Study. Pre-contractual expenses are defined as expenses incurred by the consultant in:

- Preparing a proposal in response to this RFP.
- Submitting that proposal to the City of Lodi
- * Negotiating with the City of Lodi any matter related to this RFP, proposal and contractual agreement.
- * Any other expenses and travel incurred by the bidder prior to the date of an executed contract.

2. **Authority to Withdraw RFP and/or Not Award Contract**

The City of Lodi reserves the right to withdraw this RFP at any time without prior notice. Further, the City makes no representations that any agreement will be awarded to any bidder responding to this RFP. The City expressly reserves the right to postpone the opening of proposals for its own convenience and to reject any and all proposals in response to this RFP without indicating any reasons for such rejection(s).

3. **Pricing Approach**

The City of Lodi intends to award a fixed price contract for the conduct of this project. In no event will the City pay an amount in excess of the dollar value negotiated in the contractual agreement with the successful consultant.

4. **Right to Reject Proposals**

The City of Lodi reserves the right to reject any or all proposals submitted. Any award made for this engagement will be made to the consultant which, in the opinion of the City, is best qualified to conduct the project. While the bid price is considered important, award of contract will not be made solely on the basis of cost.

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5. Proposal Evaluation Criteria

Proposals will be evaluated on the basis of their **response** to all provisions of this RFP. The City of Lodi may **use** some or all of the following criteria in its **evaluation** and comparison of proposals submitted. The criteria listed are not necessarily an **all-inclusive** list. The order in which they **appear** is not intended to indicate their **relative** importance:

- a. **Proposer's** responsiveness to the requirements of the project as set forth in the RFP.
- b. **A** demonstrated understanding of the proposer's work plan and other proposal documents.
- c. **A** logical, proven methodology for **carrying out** the work tasks described in the proposal and developing project deliverables.
- d. The **consultant's** recent experience in conducting projects of similar scope, complexity and magnitude.
- e. **The** quality and quantity of personnel assigned to the project, including educational background, work experience and directly related recent consulting experience.
- f. The organization structure of the proposed project team.
- g. The financial stability of the consultant.
- h. Recent references from California cities.
- i. The proposed project schedule.
- j. The proposed project costs.

B. PROPOSAL FORMAT AND CONTENT

Proposals should be typed as brief as possible. They should not include any elaborate or **unnecessary** promotional material. The following order and content of proposal sections should be adhered to **by** each proposer.

cover Letter

A cover letter not to exceed three pages in length should summarize key elements of the proposal. The letter must be signed by an individual authorized to bind the consultant. The letter must stipulate that the proposed price will be valid for a period of at least 90 days. Indicate the address and telephone number of the consultant's office located nearest to **Lodi**, California and the office from which the project will be managed.

I. Background and Approach

The Background and Approach Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished in the management study.

II. Methodology

This section should clearly describe the methodology you plan to **use** to carry out the specific work **tasks** described in the Work Plan.

III. Work Plan

Describe the sequential work tasks you plan to carry out in accomplishing this project. Indicate all key deliverables and their content. Identify how much of the work will be done **on site**.

IV. Project Organization and Staffing

Describe your approach and methods for managing the project. Provide an organization chart showing all proposed project team members. Describe the responsibilities of each person on the project team. Identify the Project Director/Manager and the person who will be the day-to-day contact with the City of Lodi. Indicate how many hours each team member will devote to the project by task, along with a statement indicating the availability of the **members** of the project team for the duration of the project. Include resumes for each member **of** the project team. Include information and staff support required from City personnel. If utilizing a City paid intern is possible to address data collection or routine work assignments, identify that opportunity and related cost savings.

V. Related Experience

Describe **recent**, directly related experience. Include **on** each listing the name of the client; description of the work done; primary client contact, address and telephone number; dates for the project; name of the Project Manager and members of the proposed project team who worked **on** the project, as well **as** their respective responsibilities.

At least five (5) references should be included. For each reference, indicate the reference's name, organization affiliation, title, complete mailing address and telephone number. The City of Lodi reserves the right to contact any of the organizations or individuals listed.

VI. Project Schedule

Provide a schedule for completing each task in the work program, including deadlines for preparing all project deliverables.

VII. Cost Data

Indicate the total cost for which you will conduct the project by phase. Identify by project team member: name, classification, and the number of hours each member will spend on each work task. Indicate separately, total cost for fees and expenses, including any proposed fee discount.

VIII. Statement of Compliance

Bidders must submit a Statement of Compliance with all parts of the Request for Proposal and Draft Agreement terms and conditions, or a listing of exceptions and suggested changes, along with a description of any cost implications or schedule changes the exceptions and/or changes cause. The Statement of Compliance must declare either:

- A. This proposal is in strict compliance with the Request for Proposal and Draft Agreement and no exceptions to either are proposed: or
- B. This proposal is in strict compliance with the Request for Proposal and Draft Agreement except for the items listed.
 - 1. The suggested change in the RFP or rewording of the contractual obligations.
 - 2. Reasons for submitting the proposed exceptions or change.
 - 3. Any impact the change or exception may have on project cost, scheduling or other considerations.

IX. Other Information

Include any other information you consider to be relevant to the proposal.

X. Discrimination

Consultant agrees that in carrying out its responsibilities under this agreement, and in particular with regard to the employment of persons and sub-contractors working on the project, it will not discriminate on the basis of race, color, creed, national origin, religion, sex, age, or disability. In the event any of the work performed by the consultant hereunder is sub-contracted to another person or firm (with approval of the City as required herein), the sub-contract shall contain a similar provision.

C. INSURANCE COVERAGE

Prior to commencement of any project activities, the consultant is to secure workers' compensation insurance, so as to be in compliance with State statutes and comprehensive general liability insurance, including auto and contractual liability coverage, in an amount not less than \$1 million.

AGREEMENT

THIS AGREEMENT is made and entered into in the City of San Luis Obispo on this _____ day of _____, 1992, by and between the CITY OF LODI, a municipal corporation, hereinafter referred to as CITY, and the _____, hereinafter referred to as CONSULTANT.

WITNESSETH

WHEREAS, on February 19, 1992, CITY invited proposals for a "Management and Cost Reduction Study".

WHEREAS, pursuant to said invitation, CONSULTANT submitted a proposal which was accepted by CITY for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, and shall remain in effect for a period of one (1) year or until such time as the CONSULTANT submits the final report whichever comes first.

2. **INCORPORATION BY REFERENCE.** The Notice Inviting Proposals, the General Bid Terms and Conditions, the Special Bid Terms and Conditions, Bid Submission Form(s), and the Bid Specifications, are hereby incorporated in and made a part of this Agreement.

3. **CITY'S OBLIGATIONS.** For furnishing services as specified in this Agreement, CITY will pay and CONSULTANT shall receive therefor payment based upon the agreed payment schedule.

Payment to the **CONSULTANT** shall be made within 30 days after receipt of an original invoice from the CONSULTANT and acceptance of the service by CITY.

4. **CONSULTANT'S OBLIGATIONS.** For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by CITY, CONSULTANT agrees with CITY to furnish the services and to do everything required by this Agreement and the said specifications. Without limiting the generality of the foregoing, CONSULTANT warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.

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5. **HOLD HARMLESS AND INDEMNIFICATION.** CONSULTANT agrees to defend, indemnify, and hold harmless CITY, its officials, officers, employees, representatives, and agents, from and against all claims, lawsuits, liabilities or damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of CONSULTANT, its agents, employees, and subcontractors of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The CONSULTANT shall thoroughly investigate any and all claims and indemnify the CITY and do whatever is necessary to protect the CITY, its officials, officers, employees, agents, and representatives, as to any such claims, lawsuits, liabilities, expenses, or damages.

6. **TERMINATION.** Either party may terminate this Agreement at any time by providing thirty (30) days written notice of termination to the other party. Upon such termination, CONSULTANT shall return to the City all material not yet copied. Work-in-progress will be completed, delivered and billed as outlined in the Agreement.

7. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.

8. **ANTI-DISCRIMINATION.** In the performance of the terms of this Agreement, CONSULTANT, agrees that it will not engage in, nor permit such subcontractors as it may employ, to engage in discrimination in employment of persons because of age, race, color, sex, national origin or ancestry, or religion of such persons. Violation of this provision may result in the imposition of penalties referred to in Labor Code Section 1735.

9. **AUDIT.** CITY shall have the option of inspecting and/or auditing all records and other written materials used by CONSULTANT in preparing its statements to CITY as condition precedent to any payment to CONSULTANT.

10. **NOTICE.** All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

CITY: Kirk Evans, Assistant to City Manager
221 West Pine, Lodi, California 95241

CONSULTANT:

12. **AUTHORITY TO EXECUTE AGREEMENT.** Both **CITY** and **CONTRACTOR** do covenant that each individual executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

CITY:

ATTEST:

Thomas A. Peterson, City Manager

Alice Reimche, City Clerk

CONSULTANT:

MAILING LIST

Hughes. Heiss & Associates
ATTN: Richard Brady
675 Mariners Island Blvd
Suite **108**
San Mateo, CA **94404**

Phone: **(415) 570-6111**

Peat Marwick
ATTN: **Bob** O'Neill
2495 Natomas Park Drive
Sacramento, CA **95833-2936**

Phone: **(916)641-3152**

Cooperative Personnel Services
ATTN: Paul Ahler
191 Lathrop Way
Suite A
Sacramento, CA **95815**

Phone: **(916) 924-2300**

Konrad-Rae Associates
6047 Dublin Way
Citrus Heights, CA **95610**

Phone: **(916) 726-4037**

William Hamilton & Associates
ATTN: Nick Nichols
980 West 17th Street
Suite C
Sank Anna, CA 92706

Phone: **(714) 667-6001**

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EVALUATION COMMITTEE

Jerry Glenn, Assistant City Manager (Committee Chair)

Kathleen Andrade, Librarian

Kirk Evans, Assistant **to the City** Manager

Dixon Flynn, **Finance** Director

Larry Hughes, **Fire** Chief

Charlene Lange, Community Center Director

Joanne Narloch, **Personnel** Director (~~Project~~ Coordinator)

Henry **Rice**, Utilities Director

Jack **Ronsko**, Public **Works** Director

Jim Schroeder, Community Development Director

Floyd Williams, Police Chief

Ron Williamson, Parks & Recreations Director

NEGOTIATING TEAM

Jerry Glenn, Assistant City Manager

Dixon Flynn, Finance Director

Joel Harris, Purchasing Officer

Kirk Evans, Assistant to the City Manager